

STAT

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81-0610/1

24 June 1981

25X1

MEMORANDUM FOR : [REDACTED]
Special Support Assistant to the DDA

25X1

FROM : [REDACTED]
Deputy Director of Personnel for
Policy, Analysis and Evaluation

SUBJECT : End of Tour Bonuses for Employees Who
Complete Three-Year Assignments [REDACTED]

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REFERENCE : Your Memorandum to the Deputy Director for
Administration, Same Subject, Dated 24 March
1981 (DDA 81-0610)

1. We have reviewed your memorandum and considered with interest your proposal of a bonus for all employees who complete a three-year tour of duty overseas. Some of your points are well taken--indeed, if people move less frequently, one would assume there would be a savings in travel and transportation costs. By the same token, as you point out, some of the savings would be offset by the costs of additional R&R trips, even though you believe that the effect on total savings would not be significant.

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[REDACTED] We are sympathetic with the concern of recognizing those personnel who serve "lengthy" periods overseas. On the surface, however, it is possible that any program developed to reward such services could become highly subjective and perhaps unfair. (E.g., would an employee who prefers to spend many years overseas for personal reasons be considered eligible for such bonuses? Would that employee be satisfied with not getting one because, regardless of the reasons, he/she is serving the Agency and saving it money?)

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2. Before we launched an in-depth, and potentially time-consuming study to try to determine the costs, savings, and benefits that would accrue on an Agency-wide basis if an end-of-tour bonus were adopted, we queried each DDO area division, OC, [REDACTED] OTS and OSO to get a better picture of the current practice/policy concerning overseas tours. It is interesting to note the results of this effort.

- EUR and EA report that over 50 percent of the tours already are three years or more. EUR's unwritten policy is that all will serve at least three years, while approximately 20 percent actually serve four-year tours. In EA, approximately 25 percent serve a second two-year tour. NE reports a split of 50/50 between those serving a minimum of two years and those serving a longer tour.

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- [] OC report that while employees generally have the option of requesting an extension, relatively few do so.
- In AF, 11 of 37 posts are 18-month tours for single clericals. Because of the nature of living conditions very few employees wish to serve longer than two years although a number request continued overseas assignment, but to a different AF post. In those few posts where conditions are such that individuals might wish to extend, Division policy discourages such requests. The reason is simple; there are so few "good" posts that the Division feels those tours should be limited so others may have the opportunity of assignment to such locations as []

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- LA reports some extensions for a third year and very few four-year tours.
- OTS considers three years a standard tour, and employees have the option of a 48-month tour. They have (or will have) two hardship posts for which the tour is two years. Basically, OTS adheres to the policy of the area division.
- OSO basically has a two-year tour with the option of converting to a four-year tour. Unaccompanied tours are 18 months worldwide for all categories of employees. []

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3. On the surface, if all [] permanent foreign field employees spent three years instead of two years at a post, one could presume a "savings" of about [] in transportation and travel costs in a six-year period assuming the \$12,000 figure cited in your memorandum is for round trip travel. Realistically, however, we would have to consider the potentially offsetting administration and morale factors that might ensue when exceptions would be sought that might or might not be approved. []

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4. Our conclusion from the foregoing is that in those areas where living conditions and the political situation are favorable, to a large extent we already have a de facto three-year tour policy (and in EUR in some cases a four-year tour), and without the inducement of a bonus. In those places where we do not, the imposition of such a policy does not seem reasonable, and certainly would not be in many small posts in West Africa, for example. []

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5. While not ruling out the possibility entirely, we offer an alternative to Commo's suggestion. Some cost savings would be realized merely by their adhering to the policy, official or unofficial, of those DDO components where OC personnel are stationed. Thus, OC personnel

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would serve three-year tours where that is the current policy, [or 18-month tours where that is the policy.] In this way, they would be treated no differently than their compatriots who happen to be assigned to different activities and organizations. It should be kept in mind, also, that the pay scale for certain overseas employees will provide a 9.6% pay increase effective 12 July 1981.

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DDA 81-0610

2-12-81

MEMORANDUM FOR: Deputy Director for Administration

25X1

FROM: [REDACTED]
Special Support Assistant to the DDA
SUBJECT: End of Tour Bonuses for Employees
Who Complete Three-Year Assignments [REDACTED]

25X1

1. At the present time the Agency pretty much follows

[REDACTED] We have the
normal two-year tour followed by home leave; at selected posts
we have 18-month tours of duty followed by home leave; and,
more recently, we have instituted a four-year tour policy with
home leave occurring somewhere at the mid point, generally
construed to be after the first 18 months at post but before
the final 18 months at post. The Office of Communications
computer model suggests that the adaptation of a three-year
tour would save for that office 16 man-years at an average
cost of \$22,000 per man or \$352,000 dollars per year. Assuming
that we have approximately [REDACTED] personnel serving overseas, and
the Office of Communications constitutes approximately one-third
of this number, we can roughly calculate the man-year savings to
approach [REDACTED] dollars Agency-wide. These are estimated
savings in man-years alone. In addition, the Agency would save
travel, transportation and shipment of household effects costs.
The Office of Finance estimates that [REDACTED] is
factored at \$12,000 per trip. Thus, over a six-year period
consisting of two three-year tours, the costs would approximate
\$24,000 as opposed to three two-year tours at a cost of \$36,000.
This means that an employee who opts for a three-year tour would
save the Agency about \$12,000 by that decision. If we add
these savings Agency-wide to the man-year savings suggested in
the OC computer model, we are dealing in very large numbers indeed.

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2. Certain DDO divisions have in the past tried to initiate
a policy which required personnel to accept three-year tours of
duty as a standard. These policies have been somewhat
ineffective because there was no particular inducement to counter
the apparent loss of benefits to employees who follow the standard
two-year schedule. The delay of home leave is but one example
of a postponed benefit resulting from a three-year tour.
Furthermore, I can find no evidence that the Agency costed out,
in any programmatic way, the savings which may have been achieved

WARNING NOTICE - INTELLIGENCE
SOURCES AND METHODS INVOLVED

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SUBJECT: End of Tour Bonuses for Employees Who Complete Three-Year Assignments

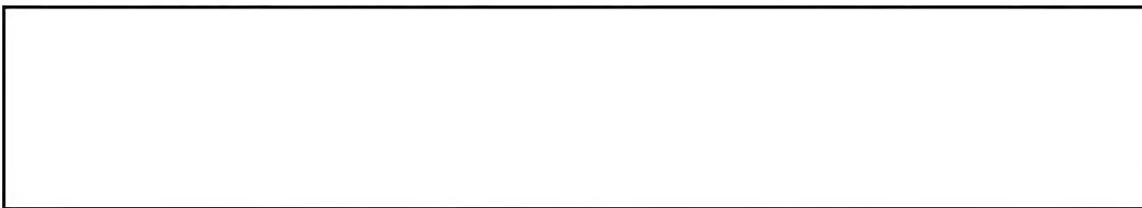
by trying to adhere to a three-year tour policy. The significant incentive of an end of tour bonus would make a three-year tour much more appealing. It would also solve a side issue which we in this Office have explored from time to time that being to grant some form of recognition for personnel who serve lengthy periods overseas.

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3. In any attempt to calculate the tour savings to the Agency, several considerations must be looked at. They are:

a. Many personnel currently opt for a three-year tour as a routine because they find two years is too little and four years at the same post is too long. So, in effect, we enjoy the benefit of some three-year tours now but only by accident - not by design. These costs should be calculated and deducted from the hypothetical savings.

b. A three-year tour policy as standard with bonuses following completion thereof would negate the more recently instituted four-year tour program, since there would no longer be an incentive to serve four continuous years at a given post. This means that where we have had four-year tours with home leave there would be theoretical loss in household effects shipment costs. I feel this would probably turn out to be a negligible difference however.



c. Some of the savings in man-years and travel and transportation costs would be slightly offset by the costs of one additional R&R trip which personnel can now receive when they extend one year beyond a normal two-year tour. Again looking at the total cost, this would not alter the total savings significantly.

d. There exists no legal precedent for this course of action, but if we relate the payment to compensation, it is possible that the Director's special authorities under Section 8 of the CIA Act of 1949 as amended could

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SUBJECT: End of Tour Bonuses for Employees Who Complete Three-Year Assignments.

be exercised with the justification being the cost-effective aspects of such a proposal. I am reminded that during Congressional testimony on the Foreign Service Act of 1980, that Jesse Helms attempted to introduce legislation which would permit the payment of an end of tour bonus to all foreign affairs agency personnel serving overseas. Had Mr. Helms tied his proposal into an extended tour of duty with demonstrated cost-savings involved he may have been more successful. As it was, I believe his suggested amendment received no votes when it was brought to the floor.

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3. I am hesitant to suggest what the amount of the bonus should be without having the costs, the savings and the benefits more thoroughly explored on an Agency-wide basis, but I can visualize a \$2,000 per year or \$6,000 per a three-year tour would be in the ballpark. Since I support the concept of an end of tour bonus, and since there would appear to be potential for significant cost-savings to the Agency and the U.S. Government, I believe this issue should be thoroughly explored on an Agency-wide basis by those who are in the best position to do so. I recommend, therefore, that the Director, OPPPM be requested to take this on as a formal requirement since it is he who establishes standards for tours of duty in the Agency, and I believe he has the necessary staff expertise available to him to do the in-depth study that would be required.

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OCSS-M81-307
06 July 1981

STAT MEMORANDUM FOR: [REDACTED]

Deputy Director of Personnel for
Policy, Analysis and Evaluation

STAT FROM:

[REDACTED]
Chief, Support Services Division, OC

SUBJECT: End of Tour Bonuses for Employees Who
Complete Three-Year Assignments

REFERENCE: Your Memorandum to the SSA/DDA, Same Subject,
dated 24 June 1981

1. We appreciate the effort that went into your review of our memorandum on the subject of bonuses. We agree that launching a time-consuming study should not be undertaken in view of the results of your efforts in canvassing the other Agency elements having overseas presence and the results therefrom. As far as the Office of Communications is concerned, this issue is closed.

2. The alternative you proposed in para 5 is not a realistic one in that the assignment process in OC is based on worldwide requirements and not just on certain DO divisions or areas. We are also very mindful of the pay increase scheduled for implementation on 12 July 1981.

[REDACTED]
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CIA REGISTRY

FILE: Personnel

DDA 81-0610

24 MAR 1981

ILLEGIB

MEMORANDUM FOR: Deputy Director for Administration

25X1 FROM:

[redacted] Special Support Assistant to the DDA

SUBJECT:

End of Tour Bonuses for Employees
Who Complete Three-Year Assignments

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SOURCES AND METHODS INVOLVED

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